

Message Text

UNCLASSIFIED

PAGE 01 LA PAZ 00910 022106Z

ACTION EB-08

INFO OCT-01 AF-08 ARA-10 EA-09 EUR-12 NEA-10 ISO-00 GSA-02

FEA-01 INT-05 OES-06 COME-00 TRSE-00 AID-05 CIAE-00

INR-07 NSAE-00 DODE-00 LAB-04 STR-04 AGRE-00 SP-02

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FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 3981

UNCLAS LA PAZ 0910

E.O. 11652: N/A

TAGS: ETRD, BL

SUBJ: GSP: BOLIVIA: COMPETITIVE NEED PROVISIONS RE TUNGSTEN

REF:HJ. STATE 10679, B. 76 STATE 284894

1. EMBASSY WOULD APPRECIATE CLARIFICATION OF INCLUSION OF BOLIVIA AS 100 PERCENT SUPPLIER TO US UNDER TSUS 603.45 (MATERIALS IN CHIEF VALUE OF TUNGSTEN) ON LIST CONCERNING COMPETITIVE NEED PROVISION OF GSP.

REFTEL (A) WOULD INDICATE THAT BOLIVIA IS ONLY EXPORTER TO US UNDER TSUS 603.45 ALTHOUGH WE HAD UNDERSTOOD THAT SOUTH KOREA AND PERHAPS OTHERS ALSO EXPORT TO US, APPARENTLY NOT UNDER GSP. AS DEPT AWARE, BOLIVIA ONLY PRODUCES TUNGSTEN CONCENTRATES AND NO OTHER TUNGSTEN PRODUCTS EITHER INTERMEDIATE OR FINAL. BOLIVIA PROVIDED 12 PERCENT OF US IMPORTS OF TUNGSTEN CONCENTRATE IN 1976 (SEE BUREAU OF MINES M.I.S. TUNGSTEN IN 1976). US IMPORTS ABOUT 54 PERCENT OF ITS TUNGSTEN NEEDS.

2. EMBASSY NOTES THAT TUNGSTEN MATERIALS CLASSIFIED UNDER TSUS 603.45 INCLUDE, OR MAY CONSIST ENTIRELY OF A FORM OF TUNGSTEN CONCENTRATE EXPORTED IN SMALL QUANTITIES, PRIMARILY BY BANCO MINERO. ABOUT TWO YEARS AGO US CUSTOMS MADE A RULING THAT ROASTED

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PAGE 02 LA PAZ 00910 022106Z

SCHEELITE, THEN PART OF TSUS 601.54, OFTEN REFERRED TO IN A MISONOMER AS SYNTHETIC SCHEELITE, WAS A COMPOUND THAT HAD UNDERGONE A CHEMICAL CHANGE AND THEREFOR DESERVED A SPECIAL TARIFF. THEREFORE TSUS 603.45 WAS ESTABLISHED. TSUS 603.45 WAS THEN LATER ADDED TO GSP. ROASTING PROCESS IS MERELY PART OF CONCENTRATION PROCESS AND SERVES TO REDUCE IMPURITIES LIKE SULPHUR AND ARSENIC. QUANTITIES OF THIS MATERIAL EXPORTED BY BOLIVIA ARE VERY SMALL,

ABOUT 55 MT PER YEAR ACCORDING TO BANCO MINERO. (MOST TUNGSTEN EXPORTED IS TSUS 601.54--TUNGSTEN ORES--AND IS PRODUCED BY COMIBOL AND INTERNATIONAL MINING CO) ASSUMING THAT REFTEL (A) IS CORRECT, AND THAT BOLIVIA IS THE ONLY EXPORTER OF ROASTED SCHEELITE TO THE US, IT WOULD APPEAR NOT TO BE COMPETITIVE WITH WHAT WE BELIEVE TO BE THE SMALL US PRODUCTION OF ROASTED (OR SYNTHETIC) SCHEELITE. IT APPEARS TO US THAT THE PRODUCT ADDS TO RATHER THAN COMPETES WITH US PRODUCTION, AND THAT THERE MAY BE AN ADVANTAGE TO THE US IN RETAINING IT ON GSP.

3. EMBASSY SUGGESTS THAT DEPT CONSIDER REQUEST TO USITC (SEE LAST PARA REFTEL A) TO WAIVE COMPETITIVE NEED EXCLUSION. ALTERNATIVELY, AND IF, RPT IF TUNGSTEN PRODUCTS INCLUDING CONCENTRATES (TSUS 601.54) ARE ADDED TO GSP (SEE REFTEL B AND A-21, MARCH 4, 1976) THEN US CUSTOMS MIGHT CONSIDER REDEFINITION OF TUNGSTEN MATERIAL TSUS 603.45 AS TUNGSTEN CONCENTRATE 601.54, WHICH WE BELIEVE IT SHOULD BE, AND THUS ALLOW IT TO ENTER US ALONG WITH OTHER CONCENTRATES DUTY FREE.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TUNGSTEN, TRADE CONTROLS
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Decaption Note:
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Disposition Approved on Date:
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Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Subject: GSP: BOLIVIA: COMPETITIVE NEED PROVISIONS RE TUNGSTEN
TAGS: ETRD, BL
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